(2)

No. 08-1477

In the Supreme Court of the United States

BADEN SPORTS, INC.,

PETITIONER,

v.

MOLTEN USA, INC., ET AL.,

RESPONDENTS.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF FOR THE RESPONDENTS IN OPPOSITION

DAISKE YOSHIDA
LATHAM & WATKINS LLP
MARUNOUCHI BUILDING
32ND FLOOR
2-4-1 MARUNOUCHI,
CHIYODA-KU
TOKYO, 100-6322
JAPAN

RICHARD P. BRESS
Counsel of Record
GABRIEL K. BELL
MATTHEW T. MURCHISON
LATHAM & WATKINS LLP
555 11TH STREET, NW
SUITE 1000
WASHINGTON, DC 20004
(202) 637-2200

QUESTION PRESENTED

Whether the Federal Circuit, applying Ninth Circuit precedent, properly held that this Court's refusal in *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003), to extend the Lanham Act into the realm of copyright and patent applies with full force to bar a patent-like claim brought under the false advertising provision of the Lanham Act, Section 43(a)(1)(B).

PARTIES TO THE CASE AND RULE 29.6 STATEMENT

The Respondents to Baden's Petition for a Writ of Certiorari are Kabushiki Kaisha Molten (doing business as Molten Corporation) ("Molten Corp.") and its subsidiary, Molten USA, Inc. (collectively, "Molten"). Molten USA, Inc. is wholly owned by its parent, Molten Corp. Molten Corp. has no parent company, nor is there any publicly traded company holding 10 percent or more of its stock.

TABLE OF CONTENTS

Page

QUESTION PRESENTED i

PARTIES TO THE CASE AND RULE 29.6 STATEMENT ii

TABLE OF CONTENTS iii

TABLE OF AUTHORITIES iv

STATEMENT OF THE CASE 1

REASONS FOR DENYING THE WRIT 9

I. THERE IS NO CONFLICT AMONG THE CIRCUITS 9

II. THE FEDERAL CIRCUIT PROPERLY REFUSED TO EXTEND THE FALSE ADVERTISING STATUTE TO INCLUDE BADEN'S PATENT-LIKE CLAIM 11

A. The Plain Text of the Statute Forecloses Baden's Claim About the "Authorship" (or Inventorship) of the Goods 11

B. *Dastar* Forecloses Baden's Claim About the "Authorship" (or Inventorship) of the Goods 14

CONCLUSION 18

TABLE OF AUTHORITIES

Page(s)

CASES

Argus Chemical Corp. v. Fibre Glass-Evercoat Co.,
812 F.2d 1381 (Fed. Cir. 1987) 10

California Department of Water Resources v. Powerex Corp.,
533 F.3d 1087 (9th Cir. 2008) 10

Dastar Corp. v. Twentieth Century Fox Film Corp.,
539 U.S. 23 (2003) ..... *passim*

Nelson v. Adams, USA, Inc.,
529 U.S. 460 (2000) 10

Nike Inc. v. Wolverine World Wide, Inc.,
43 F.3d 644 (Fed. Cir. 1994) 10

Sybersound Records, Inc. v. UAV Corp.,
517 F.3d 1137 (9th Cir. 2008) 8, 9, 12

Syngenta Seeds, Inc. v. Delta Cotton Co-operative, Inc.,
457 F.3d 1269 (Fed. Cir. 2006) 8

Taylor v. Freeland & Kronz,
503 U.S. 638 (1992) 14

TABLE OF AUTHORITIES—Continued

Page(s)

Unitherm Food Systems, Inc. v. Swift-Eckrich, Inc.,
546 U.S. 394 (2006) 10

STATUTES

15 U.S.C. § 1125(a)(1) 11

15 U.S.C. § 1125(a)(1)(A) 1

15 U.S.C. § 1125(a)(1)(B) 1, 6, 17

OTHER AUTHORITY

Webster's New International Dictionary (2d ed. 1950) 12

STATEMENT OF THE CASE

This case arises from a dispute between two sports ball companies. Petitioner Baden claimed that respondent Molten copied Baden's cushioning technology for game-quality basketballs and falsely advertised the technology as a "Molten innovation." *See* App.[1] 14-16, 104. In the district court, the jury awarded Baden damages for patent infringement (under the Patent Act) and for false advertising (under the Lanham Act). *See* App. 108-09. The Federal Circuit, applying Ninth Circuit precedent, reversed the Lanham Act judgment. App. 9-16. The court held that Baden's false advertising claim merely asserted a false designation of "authorship" (or inventorship) that, in light of *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003), is not cognizable under the Lanham Act, 15 U.S.C. § 1125(a)(1)(B). That decision does not conflict with the decision of any other court of appeals or of this Court. And it raises no issues of exceptional public concern. No *amici* have come forward to support Baden's quest for further review.

Statutory Background

Section 43(a)(1) of the Lanham Act provides a cause of action against a person who (A) misrepresents the "origin ... of his or her goods" or (B) falsely advertises the "nature, characteristics, [or] qualities ... of his or her ... goods." 15 U.S.C. § 1125(a)(1)(A), (B); *see also*

---

[1] Citations to "App." refer to the Appendix attached to the Petition, citations to "Supp. App." refer to the separately-bound Supplemental Appendix filed before this Court by Petitioners, and citations to "Pet." refer to the Petition itself. Citations in the format of "A____" refer to the Joint Appendix filed in the Court of Appeals for the Federal Circuit.

Section II.A, *infra* (quoting statutory text in full). In *Dastar*, the Court read the statute strictly in accordance with its text to avoid "'over-extension'" of the Act "into areas traditionally occupied by patent or copyright." 539 U.S. at 33, 34 (citation omitted). The Court held that false claims of authorship of a product are not actionable under the language prohibiting misrepresentation of the "origin" of "goods," as that language only encompasses "the producer of the *tangible* product sold in the marketplace" and does not extend to the "entity that originated the ideas or communications that 'goods' embody or contain." *Id.* at 31, 32 (emphasis added). The Court stressed that claims disputing authorship (or inventorship) of a product are not the province of the Lanham Act, but instead sound in patent or copyright. *Id.* at 34.

The Parties

Molten Corp. is a sports ball company based in Japan. App. 22. Its wholly owned subsidiary, Molten USA, sells Molten products in the United States and Canada. *Id.* Baden is also a sports ball company, headquartered just south of Seattle.

Among other products, Molten and Baden both manufacture and sell high-end, game-quality basketballs used in amateur and professional competitions. However, Baden and Molten target very different geographic markets: whereas Baden does about 95% of its game-quality basketball business in the United States, A100296-97, Molten sells more than 99% of its basketballs outside of the United States. A100588, A100951-52.

The Technology at Issue

In 1992-93, Spalding introduced a game-quality basketball made of synthetic leather that revolutionized the market and created a demand for basketballs with a soft feel. In 1997, Baden developed and obtained U.S. Patent No. 5,636,835 ("the '835 patent"), which disclosed its own version of a soft-feel basketball, a "'padded' game ball whose outer appearance is the same as present day high quality basketballs" but which contains a "cellular sponge" layer partially covered by "raised black seams." *See* A300018-19. Baden believed its idea was new because it "place[d] ... foam all the way around the ball, all the way underneath the seams," and it called the patented invention "cushion control technology." A100177-78.

Molten later developed its version of soft-feel game-quality basketballs, and it began marketing these balls in 2003. According to Molten's advertising, its balls' "dual-cushion technology" combines two different cushioning layers: a layer of foam surrounding the ball's core, covered by a layer of soft rubber seams. App. 3; Supp. App. 6. Whereas Baden's seams are made of hard, thin, high-density rubber, *see, e.g.*, Supp. App. 1-2, the soft rubber in Molten's seams gives its basketballs an extra layer of cushioning, for a "two-story or double-decked seam construction" that the designers of dual-cushion technology had not seen in a basketball before. A100591. These soft rubber seams allow the ball to be gripped more easily. A100355; Supp. App. 5.

Molten's Marketing Efforts

Since 1981, Molten has maintained a sponsorship relationship with FIBA (*Fédération Inte nationale de*

Basketball), the international governing body of amateur basketball. App. 51; Supp. App. 6. FIBA oversees and selects the official basketballs used in the Olympic Games, World Championship Games, and lower-level contests leading up to those tournaments. Pet. 9. In exchange for Molten's sponsorship fees, FIBA features Molten's basketballs in international competitions and permits Molten to advertise its products as official FIBA basketballs. App. 95-96.

In July 2001, Molten and FIBA signed a letter of intent to renew their sponsorship agreement through 2006. A200224-25. The renewal agreement, executed in February 2002, required Molten to pay FIBA $3,500,000. A200011; Pet. 9. In April 2004, FIBA solicited Molten to renew the sponsorship arrangement, and attached to its solicitation letter a complete draft agreement. A200228. Molten executed this renewal agreement in July 2005, agreeing to continue sponsoring FIBA from 2007 to 2016 at a cost of $18 million. *See* A200020-21; Pet. 9.

In the latter half of 2004, Molten began advertising its new dual-cushion basketballs as "exclusive," "proprietary," and "innovative." App. 4; *see, e.g.*, Supp. App. 5-6. There is no evidence that Molten's dual-cushion advertising campaign is what induced FIBA to continue its decades-old sponsorship arrangement with Molten. The 2004 advertisement came three years *after* Molten and FIBA signed the 2001 letter of intent to continue the sponsorship relationship, and several months after FIBA's 2004 solicitation of a further extension. The FIBA sponsorship agreements do not mention dual-cushion technology or require the use of basketballs containing that feature. A200008-27.

Proceedings Below

On February 13, 2006, Baden filed a complaint alleging that Molten had infringed Baden's '835 patent by selling and offering to sell dual-cushion basketballs into the United States. App. 3. Baden later amended its complaint to further allege that Molten's advertising of its dual-cushion technology basketballs violated the Lanham Act, 15 U.S.C. § 1125. *Id.* The amended complaint asserted that Molten falsely advertised its dual-cushion technology "as innovative technology that is proprietary to Molten when, in fact, the technology was developed by Baden and copied by Molten." A300289 ¶ 47.

On July 16, 2007, the district court granted Baden's motion for summary judgment on infringement. App. 3. At the same time, the district court granted in part Molten's motion for summary judgment on the Lanham Act claims. App. 50. The court held that Baden could not proceed on its Lanham Act claims based on Molten's advertisements using the words "exclusive" and "proprietary." App. 62. The court reasoned that "exclusive" and "proprietary" expressed to consumers that "Molten invented and owns the basketball technology," and held accordingly that, under *Dastar*, Molten's use of those terms could not give rise to liability under the Lanham Act. *Id.* However, the court ruled that Baden could proceed to trial on its false advertising claim based on Molten advertisements that used the word "innovative." The court believed that the term "innovative" standing alone did not convey the idea that Molten was the inventor of the technology, but rather described the "'nature, characteristics, [or] qualities'" of the basketballs

themselves." App. 62-63 (quoting 15 U.S.C. § 1125(a)(1)(B)).

At trial, the jury awarded Baden only $38,031 for patent infringement, but awarded an additional $8,054,579 in damages for false advertising under the Lanham Act. App. 109. The jury based its Lanham Act award on the profits Molten supposedly earned as a result of the alleged false advertising. *See* A300458 (Jury Instr. No. 17). Baden's experts had estimated those profits based on the "net present value" of the fees Molten agreed to pay FIBA for the two most recent sponsorship agreements. App. 95-96. They presumed that Molten would earn profits from the FIBA sponsorships at least equal to their cost. *Id.*[2]

On appeal, Molten pointed out that the Lanham Act damages award was unsupportable on several levels: Baden had adduced no evidence whatsoever connecting Molten's alleged false advertising to FIBA's desire to

---

[2] Baden's petition flatly misstates the basis of the jury's Lanham Act damages award. The jury did not calculate damages by taking the difference between the old and new sponsorship agreements, as Baden now implies. *See* Pet. 9, 11-12. Nor was the jury concerned with Baden's alleged loss of "goodwill" when calculating damages, as Baden now suggests. *See* Pet. 4. Instead, as explained in Jury Instruction No. 17 (which Baden neglects to mention), damages were to be equal to "any profits earned by [Molten] that are attributable to the false advertising". A300458. Lost goodwill was only relevant at trial insofar as it allowed the jury to find the *fact* of injury for *liability* purposes; it did not factor into calculating the *amount* of injury for *damages* purposes. *See* App. 94-95 (Dist. Ct. Op.) (noting the existence of testimony "that Molten's false advertising caused Baden's goodwill to be damaged" but explaining that "specific or quantifiable examples" of lost goodwill resulting from consumer confusion "is not necessary" when determining liability).

continue their decades-long sponsorship arrangement; Baden did not prove that Molten was likely to make any profit at all from the FIBA sponsorship since the revenues from the sponsorship arrangement were estimated based on the cost of the sponsorship agreements (resulting in a net profit of $0); and uncontroverted evidence established that over 99% of Molten's basketball sales (and thus almost all of the benefits Molten has ever achieved from its FIBA sponsorship) are outside of the United States and beyond the court's Lanham Act jurisdiction. The Federal Circuit ultimately did not reach these challenges because it held that Baden's claims, as litigated, could not survive *Dastar*. App. 18-19.[3]

In its briefing and at oral argument in the Federal Circuit, Baden expressly and unambiguously limited its Lanham Act claim to one of false authorship. Baden abandoned any suggestion that it was challenging Molten's mere advertisement of its products as "innovative" technology—classic unactionable puffery—and instead repeatedly characterized its claim as a challenge to Molten's touting of the dual-cushion basketball as "Molten's innovation" when it was instead Baden's innovation. *See, e.g.*, App. 15 (Fed. Cir. Op.) (noting Baden's argument that the advertisements "do not merely claim an innovation, but rather a '*Molten* innovation'"); App. 15-16 (noting Baden's admission at oral argument that its claims were so limited); *see also* App. 14 ("Throughout the trial, Baden steadfastly argued that Molten's advertisements were false

---

[3] For the same reason, the court of appeals did not address Molten's argument that the district court improperly excluded certain key evidence. App. 8, 18-19.

precisely because Molten was not the source of the innovation."). Thus, the Federal Circuit expressly concluded that Baden's claims were so limited and that any other theory was waived. *E.g.*, App. 15 ("Baden has waived any ... argument about novelty or newness ...."); App. 16 ("Baden has not argued on appeal that Molten's innovation claims were false for any reason other than a false attribution of the authorship of that innovation.").

Applying the substantive law of the Ninth Circuit—as required by Federal Circuit choice of law doctrine for non-patent issues[4]—the Federal Circuit held that *Dastar* foreclosed Baden's claim. App. 9-16 (applying *Sybersound Records, Inc. v. UAV Corp.*, 517 F.3d 1137, 1144 (9th Cir. 2008)). The court observed that, under *Dastar*, Baden could not "proceed with a false advertising claim that is fundamentally about the origin of an idea." App. 16 (citing *Dastar*, 539 U.S. at 37; *Sybersound Records*, 517 F.3d at 1144). The court explained that Baden could not dodge *Dastar* by recasting its "authorship" claim as a Section 43(a)(1)(B) claim: "Baden's arguments in this case amount to an attempt to avoid the holding in *Dastar* by framing a claim based on false attribution of authorship as a misrepresentation of the nature, characteristics, and qualities of a good." App. 14. The court therefore reversed the district court's judgment for Baden on its Lanham Act claim. Baden did not seek rehearing.

---

[4] *See, e.g., Syngenta Seeds, Inc. v. Delta Cotton Co-operative, Inc.*, 457 F.3d 1269, 1273 (Fed. Cir. 2006).

REASONS FOR DENYING THE WRIT

The Federal Circuit's decision in this case does not warrant further review. The decision does not conflict with any decision of this Court or any other court of appeals. Indeed, because it merely involves the Federal Circuit's application of Ninth Circuit law, this decision does not bind the Ninth Circuit or even the Federal Circuit itself (except when it again applies Ninth Circuit law). On the merits, moreover, the decision is clearly correct: both the plain text of the statute and this Court's reasoning in *Dastar* foreclose Baden's attempt to bring a patent-like claim—about the contested "authorship" (or inventorship) of Molten's basketballs—under the false advertising provision of the Lanham Act. Review should be denied.

I. THERE IS NO CONFLICT AMONG THE CIRCUITS

The Federal Circuit, applying the Ninth Circuit's interpretation of this Court's interpretation of the Lanham Act, rejected Baden's attempt to bring a patent-like claim dressed in false advertising garb. *See* App. 9-16 (applying *Sybersound Records*, 517 F.3d at 1144). In so doing, the Federal Circuit held that this Court's reasoning in *Dastar* (involving a claim asserted under subsection A) applies equally to Baden's false advertising claim (asserted under subsection B).

There is no circuit split on that issue, and Baden does not contend otherwise. *See* Pet. 3-4 (relying solely on an asserted need for this Court to correct an interpretation of federal law). The Federal Circuit, citing First Circuit dictum and some district court

holdings, observed that other circuits might eventually take a different approach, which is of course always a possibility. *See* App. 16 n.1. But none has yet done so. Thus, this is a quintessential case where further percolation is warranted. Review at this point would be premature.

Review is particularly unnecessary here because this decision is not even binding on the Ninth Circuit, *see Cal. Dep't of Water Res. v. Powerex Corp.*, 533 F.3d 1087, 1092 (9th Cir. 2008), and it only binds the Federal Circuit when applying Ninth Circuit law, *see, e.g., Nike Inc. v. Wolverine World Wide, Inc.*, 43 F.3d 644, 647-48 (Fed. Cir. 1994); *Argus Chem. Corp. v. Fibre Glass-Evercoat Co.*, 812 F.2d 1381, 1385 (Fed. Cir. 1987). It is not surprising that, absent a conflict among the circuits, this Court has *never* granted certiorari solely to review the Federal Circuit's application of another circuit's interpretation of a federal statute or rule.[5]

The other circuits will undoubtedly have opportunities in future cases to weigh in on the legal question that Baden raises here. If and when a disagreement arises, this Court can consider whether certiorari is warranted. But it is certainly premature at this point.

---

[5] *Cf. Unitherm Food Sys., Inc. v. Swift-Eckrich, Inc.*, 546 U.S. 394, 398-99 (2006) (resolving inter-circuit conflict, identified in petition, arising out of Federal Circuit's application of another circuit's interpretation of a federal rule); *Nelson v. Adams, USA, Inc.*, 529 U.S. 460, 466-68 (2000) (same). Although Baden asserts that the unique posture of this case "should make no difference to whether this Court should grant Baden's petition," Pet. 22 n.8, Baden has cited no *certiorari* grants in like circumstances.

II. THE FEDERAL CIRCUIT PROPERLY REFUSED TO EXTEND THE FALSE ADVERTISING STATUTE TO INCLUDE BADEN'S PATENT-LIKE CLAIM

Review is also unwarranted because the Federal Circuit correctly concluded that Baden's claim fails under the Lanham Act, as interpreted by this Court in *Dastar*.

A. The Plain Text of the Statute Forecloses Baden's Claim About the "Authorship" (or Inventorship) of the Goods

The Federal Circuit's holding in this case is fairly compelled by the text of the statute. Section 43(a)(1) of the Lanham Act, 15 U.S.C. § 1125(a)(1), provides:

> Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—
>
> (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or
>
> (B) in commercial advertising or promotion, misrepresents the nature,

> characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,
>
> shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

Baden concedes that its claim does not concern the "origin" of its basketballs under subsection A, Pet. 25, but argues that it is viable under the "nature, characteristics, and qualities" language of subsection B, *id.* Subsection B, however, encompasses only the "nature, characteristics, [or] qualities ... of [Molten's] *goods*" themselves, not the identity of their *inventor*. *See Webster's New International Dictionary* 1631 (2d ed. 1950) ("nature" is "[t]he essential character or constitution of a particular thing, a species, or a kind"); *id.* at 451 ("characteristic" is "a trait, quality, or property distinguishing an individual, group, or type"); *id.* at 2031-32 ("quality" is "an attribute" or a "[d]istinctive or peculiar character"); *id.* at 1079 ("goods" are "[w]ares; merchandise").

Thus, under the plain language of the statute, the Federal Circuit correctly held that subsection B "refer[s] to 'the characteristics *of the good itself*,'" App. 13 (emphasis added) (quoting *Sybersound Records*, 517 F.3d at 1144), and that therefore "authorship ... is not a nature, characteristic, or quality, as those terms are used in [subsection B]." App. 14.[6] As such, the Federal

---

[6] In its petition, Baden quibbles with the Federal Circuit's characterization of the record when the court observed that "no physical or functional attributes of the basketballs are implied by

Circuit properly held that Baden's claims about "Molten's innovation"—which were limited to authorship because Baden had waived any other theory[7]—fell outside of the statute. *See* App. 14-16; *supra* at 7-8.

In its petition, Baden at times now suggests that its claim is not just about "authorship" of the goods (*i.e.*, the basketballs as "Molten's innovation") but is instead about *Molten's* own status as an "innovator." *See, e.g.*, Pet. 10 (arguing Molten falsely advertised itself as "an 'innovator' in the field of sports ball design").[8] Either this contention is really nothing more than a refurbished authorship claim, or it represents a new claim that was not raised below. If, on one hand, Baden is trying to portray Molten's status as an innovator as somehow an attribute of Molten's goods, *see, e.g.*, Pet. 25 ("Molten's line is the product of an innovator in the field of sports ball design ...."), then, at root, Baden's

---

Molten's advertisements." *See* Pet. 21 n.7; App. 14. Contrary to Baden's suggestion, however, the Federal Circuit was merely and accurately making the point that, as used in Molten's advertisements, the term "innovative" did not refer to the "physical or functional attributes" of the goods. App. 14.

[7] Baden does not challenge the Federal Circuit's waiver holding in its petition. *See* Pet. i (question presented).

[8] Baden repeatedly suggests in its petition—erroneously and without citation—that the claim addressed by the jury was that Molten falsely advertised its *own* status as an "innovator." Pet. 11, 14, 19, 20, 21. Baden's claim, however, as submitted to the jury, only charged that Molten represented its *goods*—the basketballs—"as a Molten innovation and they were not." App. 104 (Jury Instr. No. 15). In finding liability, the jury had to conclude, *inter alia*, that Molten "made false statements of fact about their own *product*," App. 105 (Jury Instr. No. 16) (emphasis added), not false statements about Molten's status itself.

claim is still "fundamentally about the origin of an idea," App. 16, rather than about some characteristic of the tangible Molten goods. If, on the other hand, Baden has shifted its claims from "authorship" to the status of Molten itself, such claims were not made below and, therefore, are not properly presented here. *See Taylor v. Freeland & Kronz*, 503 U.S. 638, 645 (1992). In any event, such claims would also fail under the statutory text, as it would stretch the definitions even further to interpret the "nature, characteristics, [or] qualities" of Molten's *basketballs* to include the characteristics of the *inventor* of Molten's basketballs.

B. *Dastar* Forecloses Baden's Claim About the "Authorship" (or Inventorship) of the Goods

The Federal Circuit's rejection of Baden's claim is also perfectly consistent with this Court's teaching in *Dastar*.

In *Dastar*, the producers of a World War II video series had substantially copied a television series, but marketed the video series as its own without attribution. 539 U.S. at 25-26.[9] This Court rejected the argument that the producer had thereby falsely designated the "origin" of the work under Section 43(a) of the Lanham Act. It held that the Lanham Act is

---

[9] Contrary to Baden's claim that "Dastar had made no representation regarding the origin of its series beyond claiming that it had produced the product at hand," Pet. 23, this Court expressly assumed for purposes of its decision that "Dastar's representation of itself as the 'Producer' of its videos amounted to a representation that it originated the creative work conveyed by the videos," *Dastar*, 539 U.S. at 34.

concerned with the origin of the physical product, not the idea behind it. *Id.* at 35-36.

Baden argues that *Dastar* is distinguishable because it addresses only the "origin" of "goods" (subsection A), rather than the "characteristics" of the "goods" (subsection B). Pet. 25. This argument is unavailing, because this Court's reasoning clearly applies to subsection B as well. The Court explained that the Lanham Act must be read "in accordance with [its] common-law foundations (which were *not* designed to protect originality or creativity), and in light of the copyright and patent laws (which *were*)." 539 U.S. at 37. Indeed, as "[t]he rights of a patentee or copyright holder are part of a 'carefully crafted bargain,'" this Court took care to avoid "'over-extension'" of the Act "into areas traditionally occupied by patent or copyright." *Id.* at 33, 34 (citation omitted). The Court further stressed that the statute "'does not exist to reward manufacturers for their innovation in creating a particular device; that is the purpose of the patent law.'" *Id.* at 34 (citation omitted).[10]

The Court in *Dastar* thus read the "origin" of "goods" language strictly to refer to "the producer of the *tangible* product sold in the marketplace" rather than extending it to include the "entity that originated the ideas or communications that 'goods' embody or contain," 539 U.S. at 31, 32 (emphasis added); *see also id.* at 31 (quoting Webster's definition of "goods"); *id.*

---

[10] As Baden has already been awarded (and Molten did not appeal) damages for patent infringement, the "creative talent" behind the products at issue is "not left without protection." *Dastar*, 539 U.S. at 37. But the Lanham Act and *Dastar* do not permit Baden to double-dip.

at 37 (stressing that the phrase refers to the "tangible goods" not to the "author of any idea"). So too here, the Federal Circuit properly read the "nature, characteristics [or] qualities" of the "goods" to refer to the tangible features of the goods rather than to the "entity that originated the ideas" embodied in the goods. App. 11. Just as in *Dastar*, "[t]o hold otherwise would be akin to finding that § 43(a) created a species of perpetual patent ..., which Congress may not do." 539 U.S. at 37 (referencing the constitutional limitation). As the Federal Circuit explained, allowing a claim of false authorship here would risk "creat[ing] overlap between the Lanham and Patent Acts." App. 13. In fact, if "authorship" or "inventorship" were a "characteristic" or "quality" of a work, then the very claim *Dastar* rejected under subsection A would have been available under subsection B, which would directly contradict this Court's careful direction that the Lanham Act must not extend into the realm of copyright and patent and render the *Dastar* rule meaningless. The reasoning in *Dastar* necessarily covers "authorship" claims arising under both subsections, and it plainly controls here.

As litigated in the Federal Circuit, Baden's claims about "innovation" were directed solely to the "authorship" (or inventorship) of Molten's basketballs—that is, whether Molten falsely stated that the basketballs were "Molten's innovation" rather than Baden's innovation. *See* App. 14-16; *supra* at 7-8. Therefore, the Federal Circuit properly found Baden's claims foreclosed by this Court's interpretation of the Lanham Act in *Dastar*. And to the extent that Baden now raises a new claim focused on the characteristics of Molten *itself*, that claim is even further removed from

the statute than those foreclosed by *Dastar*. As explained above, the statute only covers the characteristics of the *goods*, not the identity—let alone the characteristics—of the *inventor* of the goods. *See* 15 U.S.C. § 1125(a)(1)(B).

The hypothetical this Court posed in *Dastar* is not to the contrary. *Cf.* Pet. 25-26 & n.10. This Court noted that a plaintiff might theoretically have a claim for "misrepresentation under the 'misrepresents the nature, characteristics [or] qualities' provision of § 43(a)(1)(B)" where a defendant has substantially copied another's video series and given "purchasers the impression that [its] video was quite different from that series." *Dastar*, 539 U.S. at 38. The Federal Circuit recognized that Baden's claim does not go to whether the basketballs were "different" but only to whether the basketballs were *Molten's* innovation, as opposed to *Baden's* innovation. App. 15-16 (quoting Baden's briefing and argument below).[11] Far from "presum[ing] to dismiss" the *Dastar* hypothetical, as Baden asserts, Pet. 26 n.10, the Federal Circuit expressly found the hypothetical inapplicable to Baden's claim. *See* App. 12-16.

In one important respect, this case is even easier than *Dastar*, as this case does not involve the sort of "communicative product" at issue in *Dastar*, which might be valued for the "identity of the ... author." *Dastar*, 539 U.S. at 33. For a non-communicative

---

[11] Baden cannot avail itself of the hypothetical by recasting its claim as merely addressing whether the basketballs were "substantially different from all other basketball designs," Pet. 25, because the Federal Circuit held that such claims were waived, App. 15-16, and Baden has not challenged that holding.

product such as a basketball, which is valued "primarily for its physical qualities," as this Court explained, "[t]he consumer ... *typically does not care*" which entity "came up with the idea for the product, or designed the product." *Id.* at 33, 32 (emphasis added). The Court emphasized that "[t]he words of the Lanham Act should not be stretched to cover matters that are typically of no consequence to purchasers." *Id.* at 32-33. That teaching is trenchant here.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted,

RICHARD P. BRESS
Counsel of Record
GABRIEL K. BELL
MATTHEW T. MURCHISON
LATHAM & WATKINS LLP
555 11TH STREET, NW
SUITE 1000
WASHINGTON, DC 20004
(202) 637-2200

DAISKE YOSHIDA
LATHAM & WATKINS LLP
MARUNOUCHI BUILDING
32ND FLOOR
2-4-1-MARUNOUCHI, CHIYODA-KU
TOKYO, 100-6322
JAPAN